

2021 Small Business Profile

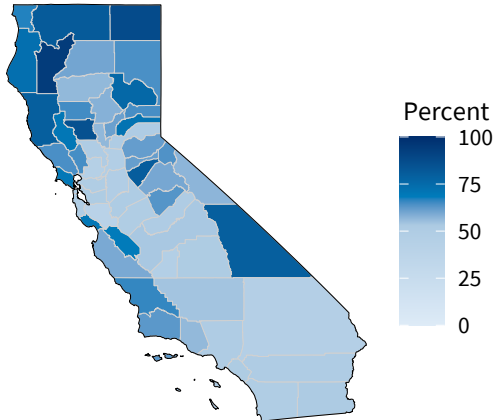
U.S. SMALL BUSINESS ADMINISTRATION
OFFICE OF ADVOCACY

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California

4.2 million small businesses
99.8 percent of California businesses

7.3 million small business employees
48.2 percent of California employees



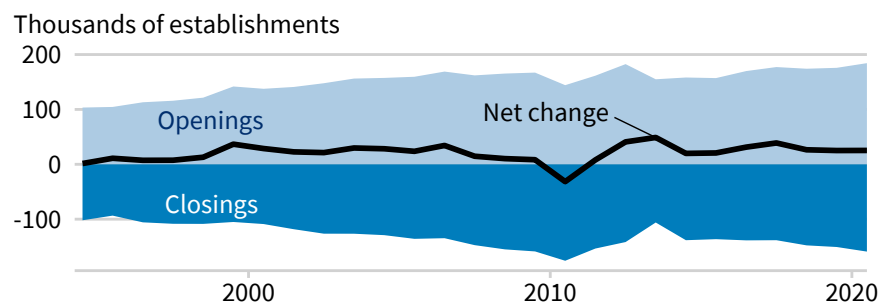
Share of employees working at small businesses by county

Source of data: [Statistics of US Businesses](#) (Census)

Business dynamics

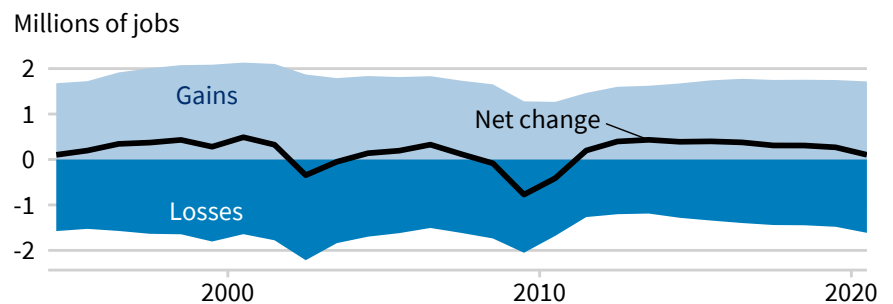
Establishments

Between March 2019 and March 2020, 184,309 California establishments opened and 159,060 closed, for a net increase of 25,249. Employment expanded at 240,343 and contracted at 244,296. Small businesses accounted for 109,104 openings and 100,450 closings.



Employment

Opening and expanding California establishments added 1.7 million jobs, while closing and contracting establishments lost 1.6 million, for a net increase of 103,514 jobs. Small businesses contributed a net increase of 86,817 jobs, or 83.9 percent of that total.



Counts include temporary closures and reopenings

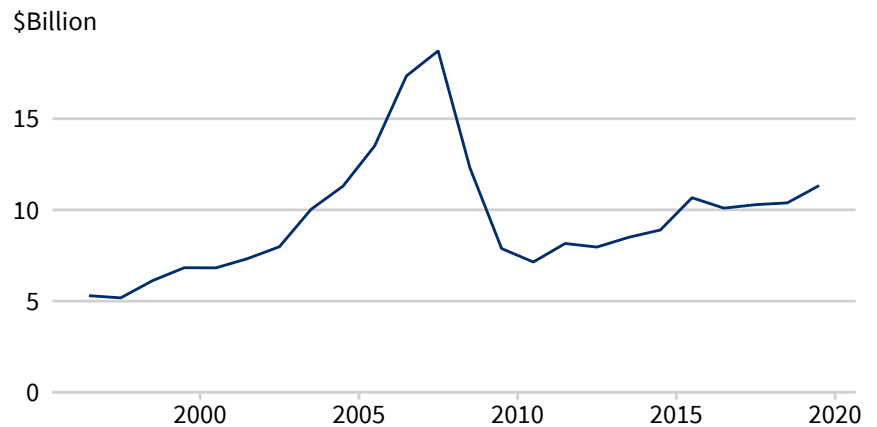
Source: [Business Employment Dynamics](#) (BLS)

Small business loans

The Community Reinvestment Act requires large banks to report new small business loans. In 2019, reporting banks issued \$11.3 billion in loans to California businesses with revenues of \$1 million or less. Total reported new lending to businesses through loans of \$100,000 or less was \$16.3 billion, and total reported new lending to businesses through loans of \$1 million or less was \$33.0 billion.

Source: [CRA Aggregate Data](#) (FFIEC)

New lending to businesses with revenues under \$1 million



Small business count by size and industry

Industry	No employees	1–19 employees	20–499 employees	All small businesses
Professional, Scientific, and Technical Services	593,879	111,623	7,813	713,315
Other Services (except Public Administration)	379,626	64,361	5,052	449,039
Transportation and Warehousing	406,364	18,647	2,371	427,382
Real Estate and Rental and Leasing	340,161	43,597	2,025	385,783
Health Care and Social Assistance	277,376	85,055	8,926	371,357
Administrative, Support, and Waste Management	296,012	33,584	4,808	334,404
Construction	239,250	69,087	7,047	315,384
Retail Trade	245,358	62,600	6,331	314,289
Arts, Entertainment, and Recreation	232,198	24,405	1,923	258,526
Accommodation and Food Services	57,934	53,132	15,824	126,890
Finance and Insurance	90,267	26,803	1,939	119,009
Educational Services	98,922	10,456	2,731	112,109
Wholesale Trade	61,303	42,415	6,552	110,270
Information	69,518	16,141	2,115	87,774
Manufacturing	46,094	26,352	7,452	79,898
Agriculture, Forestry, Fishing and Hunting	14,723	1,721	224	16,668
Mining, Quarrying, and Oil and Gas Extraction	3,577	344	91	4,012
Management of Companies and Enterprises	*	462	1,477	1,939
Utilities	1,207	447	54	1,708
Industries not classified	*	1,494	9	1,503
Total	3,453,769	692,139	81,247	4,227,155

* Not reported by the Census Bureau

Sources: [Nonemployer Statistics](#), 2018 (Census); [Statistics of US Businesses](#), 2018 (Census)



Small business exports

A total of 68,987 identified firms exported goods worth \$161.6 billion from California in 2019. Of those exporters, 65,637—or 95.1 percent—were small. Small firms exported goods worth \$66.4 billion, making up 41.1 percent of exports by identified firms.

Source: [A profile of US importing and exporting companies, 2018–2019](#) (Census)

Business ownership share by demographic group

Women



Women made up 45.9 percent of workers and owned 43.0 percent of businesses.

Veterans



Veterans made up 3.5 percent of workers and owned 4.6 percent of businesses.

Hispanics



Hispanics made up 37.8 percent of workers and owned 23.1 percent of businesses.

Racial minorities



Racial minorities made up 37.0 percent of workers and owned 26.9 percent of businesses.

Ownership shares include equal and majority ownership

Sources of data: [American Community Survey](#), 2018 (Census and IPUMS); [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Business count by owner demographic group

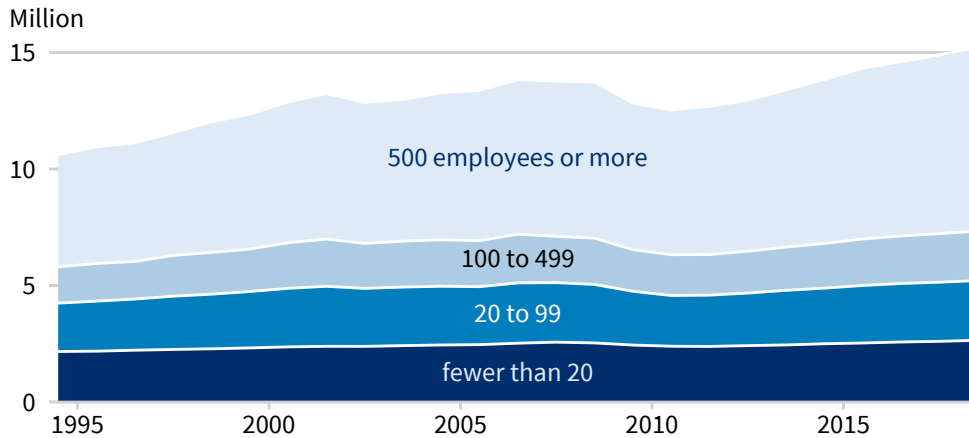
Ownership	Without employees	With employees	Total
Female	1,392,000	149,927	1,541,927
Male	1,843,000	436,714	2,279,714
Owned equally by both groups	57,000	122,196	179,196
Veteran	127,000	33,427	160,427
Not veteran	3,159,000	658,934	3,817,934
Owned equally by both groups	6,300	16,474	22,774
Hispanic	832,000	71,739	903,739
Not Hispanic	2,453,000	624,721	3,077,721
Owned equally by both groups	7,300	12,378	19,678
American Indian and Alaska Native	14,500	3,573	18,073
Asian	658,000	154,495	812,495
Black or African American	209,000	13,016	222,016
Native Hawaiian and Other Pacific Islander	12,500	1,939	14,439
White	2,389,000	535,852	2,924,852
Hispanic or racial minority	1,590,000	240,558	1,830,558
White and not Hispanic	1,689,000	447,535	2,136,535
Owned equally by both groups	12,500	20,747	33,247

Counts include only businesses classifiable by owner demographic group

Sources: [Annual Business Survey](#), 2018 (Census); [Nonemployer Statistics by Demographics](#), 2017 (Census)

Total California employment by business size

Source of data: [Statistics of US Businesses](#) (Census)



California small business employment grew by 26.4 percent between 1994 and 2018, which exceeded the national small business employment growth rate.

Small business employment and payroll by industry

Industry	Employers		Employment		Payroll (\$1,000s)	
	Small	%	Small	%	Small	%
Professional, Scientific, and Technical Services	119,436	99.0	730,916	58.9	67,375,135	50.5
Health Care and Social Assistance	93,981	99.4	949,161	46.4	44,473,164	35.2
Construction	76,134	99.6	657,745	81.6	42,060,406	75.8
Other Services (except Public Administration)	69,413	99.5	482,871	79.8	16,878,002	78.1
Accommodation and Food Services	68,956	99.3	1,115,266	62.6	25,092,741	59.6
Retail Trade	68,931	99.0	607,558	35.8	23,273,092	40.8
Wholesale Trade	48,967	97.8	498,796	59.4	33,882,338	46.5
Real Estate and Rental and Leasing	45,622	99.3	216,508	70.2	12,968,857	66.0
Administrative, Support, and Waste Management	38,392	98.1	438,080	27.1	19,016,703	23.7
Manufacturing	33,804	96.9	594,995	51.1	32,917,178	39.5
Finance and Insurance	28,742	97.9	195,874	31.4	20,431,699	26.7
Arts, Entertainment, and Recreation	26,328	99.4	177,091	50.6	11,685,978	62.9
Transportation and Warehousing	21,018	97.0	181,435	32.6	8,867,992	28.2
Information	18,256	97.4	187,641	27.2	21,276,011	17.9
Educational Services	13,187	98.6	230,519	53.5	9,331,318	50.0
Agriculture, Forestry, Fishing and Hunting	1,945	98.7	19,307	66.5	939,808	75.4
Management of Companies and Enterprises	1,939	62.9	42,805	11.8	3,851,610	7.1
Industries not classified	1,503	100.0	2,319	100.0	78,498	100.0
Utilities	501	91.3	3,866	6.7	326,053	4.4
Mining, Quarrying, and Oil and Gas Extraction	435	88.4	6,637	40.0	559,432	34.6
Total	773,386	99.2	7,339,390	48.2	395,286,015	38.7

Source: [Statistics of US Businesses](#), 2018 (Census)

About this profile

Small businesses are defined here as firms with fewer than 500 employees. Figures and statistics may incorporate approximations because of missing or otherwise problematic data. Data analyzed here predate the COVID-19 pandemic, the impacts of which have differed by industry, geography, and demographic group. More information about [the impacts of the pandemic](#), electronic versions of these and other [geographic profiles](#), and additional resources are available at <http://advocacy.sba.gov>.